

A bill for an act
relating to local government; restructuring the Central Lakes Region Sanitary
District as an elected body or alternatively providing for its dissolution;
amending Laws 2003, chapter 127, article 9, section 2; proposing coding for new
law in Minnesota Statutes, chapter 115.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[115.38] SPECIAL LAW DISTRICTS.**

Subdivision 1. **Application.** The provisions in this section apply to any sanitary
district created by special law unless the special law provides otherwise.

Subd. 2. **Distribution of assets and liabilities upon dissolution.** All assets of a
district that is dissolved must be liquidated within one year of the dissolution and the
proceeds used to pay liabilities and obligations of the district. Any remaining proceeds
must be distributed to the member units of government in amounts based on contributions
during the life of the district. If liabilities and obligations are greater than the proceeds of
the liquidation of assets, the member units of government must continue to pay into a fund
in amounts proportionate to their contributions during the life of the district. The fund
must be used to satisfy all liabilities and obligations in a timely fashion. The county with
the majority of population of the district shall administer the dissolution.

Sec. 2. Laws 2003, chapter 127, article 9, section 2, is amended to read:

Sec. 2. **SANITARY SEWER BOARD.**

Subdivision 1. **Establishment.** A sanitary sewer board with jurisdiction in the
Central Lakes Region Sanitary District is established as a public corporation and political
subdivision of the state with perpetual succession and all the rights, powers, privileges,

immunities, and duties that may be validly granted to or imposed upon a municipal corporation, as provided in this article.

Subd. 2. **Members and selection election, terms.** ~~The number of board members and method by which they are selected is as follows: The governing body of any municipality located in whole or part within the district must each separately select one member. Upon the board's ordering of a project to construct a sanitary sewer, the governing body of any municipality must appoint one additional member for each full 800 special assessments included in the ordered project to be levied against property located in the municipality. The term of each member is subject to the approval of the voting members of the city council or town board. The board consists of one member elected at large from each municipality in the district. The terms of the members are four years and until a successor is qualified, except that for the first election in 2009 one-half of the seats shall be for two years and until a successor is qualified. The short term shall be determined by lot and designated before filings open by the municipal clerks of the municipalities in the district. Terms begin the first Monday in January following the election at which board members are chosen. The election shall be conducted as provided in Minnesota Statutes, chapter 205, at the same time as the city council elections are held. Vacancies, removal, and qualification for office are as otherwise provided by statute for elected city council members.~~

Subd. 3. **Time limit; alternative appointment.** ~~The initial board members must be selected as provided in subdivision 2 within 60 days after this article is effective. A successor must be selected at any time within 60 days before the expiration of the predecessor's term in the same manner as the predecessor was selected. Any vacancy on the board must be filled within 60 days after it occurs. If a selection is not made as provided within the time prescribed, the chief judge of the seventh judicial district of the Minnesota district court, on application by any interested person, shall appoint an eligible person to the board.~~

Subd. 4. **Vacancies.** If the office of any board member becomes vacant, the vacancy shall be filled for the unexpired term in the manner as provided for selection of the member who vacated the office. The office shall be deemed vacant under the conditions specified in Minnesota Statutes, section 351.02.

Subd. 5. **Terms of office.** ~~The terms of all board members shall be for one, two, three, or four calendar years to be determined in accordance with subdivision 2 by the governing body selecting such member. Terms shall expire on January 1 of a calendar year, except that each member shall serve until a successor has been duly selected and qualified.~~

3.1 ~~Subd. 6. **Removal.** A board member may be removed by the unanimous vote of the~~
3.2 ~~appointing governing body with or without cause.~~

3.3 Subd. 7. **Qualifications.** Each board member ~~may, but need not~~ must be a resident
3.4 of the ~~district and may, but need not be an elected public official~~ municipality the board
3.5 member represents. A board member must not hold any other elected office.

3.6 Subd. 8. **Certificates of ~~selection~~ election; oath of office.** A certificate of ~~selection~~
3.7 election to a seat of every board member, stating the seat's term, must be made by the
3.8 respective municipal clerk. The certificate, ~~with the approval attached by other authority,~~
3.9 ~~if required,~~ must be filed with the secretary of state. A copy must be furnished to the
3.10 board member and the secretary of the board. Each member must qualify by taking and
3.11 subscribing to the oath of office prescribed by the Minnesota Constitution, article V,
3.12 section 6. The oath, duly certified by the official administering the same, must be filed
3.13 with the secretary of state and the secretary of the board.

3.14 Subd. 9. **Compensation of board members.** Each board member may be paid a
3.15 per diem compensation to attend meetings and for other services in an amount as may
3.16 be specifically authorized by the board from time to time. Per diem compensation must
3.17 not exceed \$4,000 for any member in any one year. All members of the board may be
3.18 reimbursed for all reasonable expenses incurred in the performance of their duties as
3.19 determined by the board.

3.20 Sec. 3. **LOCAL APPROVAL; EFFECTIVE DATE; TRANSITION;**
3.21 **ALTERNATIVE DISSOLUTION.**

3.22 Subdivision 1. **Local approval; effective date.** This act applies to the townships of
3.23 Brandon, Carlos, LaGrand, Leaf Valley, Miltona, and Moe, all in Douglas County. This
3.24 act is effective the day after a fourth township of the six listed in this subdivision has
3.25 completed local approval as provided in Minnesota Statutes, section 645.021, subdivisions
3.26 2 and 3, except that local approval must be completed by August 1, 2009. For any other
3.27 township listed in this subdivision, this act is effective the day after timely completing
3.28 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3. A township
3.29 listed that fails to timely complete compliance with Minnesota Statutes, section 645.021,
3.30 subdivisions 2 and 3, may petition for annexation to the district at a later time, as provided
3.31 in Laws 2003, chapter 127, article 9, section 20.

3.32 Subd. 2. **Transition.** Until a board is elected and qualified, the appointed board
3.33 shall continue to govern the district.

3.34 Subd. 3. **Contingent dissolution.** If this act is not approved as provided in
3.35 subdivision 1, and an election of a new board is not completed by December 31, 2009,

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- 4.1 the district is dissolved, and Laws 2003, chapter 127, article 9, as amended, is repealed,
- 4.2 effective January 1, 2010.